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Sent: 1/5/2012 9:22:10 PM

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Subject: Bloomberg News(1-5) EPA to Test Well-Water Near PA Fracking Sites

EPA to Test Well-Water Near PA Fracking Sites By Mark Drajem - Jan 5, 2012

The U.S. Environmental Protection Agency will collect samples of well water near Dimock, Pennsylvania, site of hydraulic fracturing for natural gas, after getting complaints from residents, an official said.

Cabot Oil & Gas Co. (COG), which in April 2010 said it settled with state regulators over methane contamination in 14 water wells, has agreed to postpone its drilling near Dimock.

"We will evaluate the sampling results and share them with the residents," Betsaida Alcantara, an EPA spokeswoman, said today in an e-mail. Residents gave the EPA information about the water, although "there are gaps" in the data, she said.

A boom in gas production using hydraulic fracturing, or fracking, helped increase supplies, cutting prices 32 percent last year, while raising environmental concerns about tainted drinking water supplies. The EPA is studying the effects of fracking on water and weighing nationwide regulations.

President Barack Obama has said increased drilling for natural gas is a way to reduce U.S. dependence on foreign oil and coal, which is more damaging to the environment when burned. Officials in his administration have been cautious when discussing possible health effects of fracking.

"Natural gas plays a key role in our nation's clean energy future and the Obama Administration is committed to ensuring that the development of this vital resource occurs safely and responsibly," Alcantara said.

Wyoming Tests

The EPA released a report on Dec. 8 tying chemicals in groundwater in west-central Wyoming to fracking, the first time it made that link. Encana Corp. (ECA), which was operating in that area, said the EPA erred in its draft report.

In addition to the individual studies, the EPA is undertaking a review of groundwater in fracking areas, and said it will propose rules to force chemical makers to disclose products used in the process.

The EPA study of drinking water is set to be completed in 2014.

Fracking is a process that injects water, sand and chemicals into deep shale formations to free trapped natural gas. The process accounts for about a third of the U.S. gas supply, up from 14 percent in 2009, according to the U.S. Energy Department.

Fracking permits are issued by states, the primary regulators of oil and gas operations. Industry groups such as the American Petroleum Institute have said regulation should remain in the hands of state officials who are closest to local concerns and know the most about differences in geology that affect drilling.

A spokesman for Cabot, George Stark, didn't return a telephone and e-mail message.

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